

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	General Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
DreamCatcher Interactive Inc.		03/18/2005	Corporation of Ontario:
RECEIVING PARTY DATA			
Name:	Fund 321 Limited Partnership c/o/b as Wellington Financial Fund II		
Street Address:	1700-22 St. Clair Avenue East		
City:	Toronto, Ontario		
State/Country:	CANADA		
Postal Code:	M4T 2S3		
Entity Type:	Limited Partnership of Manitoba:		
PROPERTY NUMBERS Total: 6			
Property Type	Number	Word Mark	
Serial Number:	76579083	PAINKILLER	
Registration Number:	2689314	THE ADVENTURE COMPANY	
Registration Number:	2935391	CRYSTAL KEY	
Registration Number:	2269434	DREAMCATCHER INTERACTIVE INC.	
Registration Number:	2873788	SUPERPOWER	
Registration Number:	2580038	TIMESCAPE	
CORRESPONDENCE DATA			
Fax Number:	(248)641-0270		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	2486411600		
Email:	docketingtm@hdp.com		
Correspondent Name:	Lisa M. DuRoss		
Address Line 1:	P.O. Box 828		
Address Line 4:	Bloomfield Hills, MICHIGAN 48098		
DOMESTIC REPRESENTATIVE			

CH \$165.00 76579083

Name: Lisa M. DuRoss
Address Line 1: P.O. Box 828
Address Line 4: Bloomfield Hills, MICHIGAN 48303

NAME OF SUBMITTER:	Lisa M. DuRoss
Signature:	/lmd/
Date:	06/13/2005

Total Attachments: 18

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GENERAL SECURITY AGREEMENT

THIS AGREEMENT is dated the 18th day of March, 2005.

TO: Name: Fund 321 Limited Partnership c/o/b as Wellington Financial Fund II
 Address: 1700-22 St . Clair Avenue East
 Toronto, Ontario M4T 2S3
 Attention: Mark McQueen
 Facsimile: 416-925-5753
 E-mail: mmcqueen@wellingtonfund.com

WHEREAS:

- A. DreamCatcher Interactive Inc. (the "**Debtor**") is, or may become, indebted or liable to Fund 321 Limited Partnership c/o/b as Wellington Financial Fund II (the "**Creditor**") pursuant to the terms of a Guarantee dated as of March 18, 2005 (as amended, supplemented, restated or replaced from time to time, the "**Guarantee**") or otherwise.
- B. To secure the payment and performance of the Liabilities, the Debtor has agreed to grant to the Creditor the Security Interests in respect of the Collateral in accordance with the terms of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditor as follows:

1. **Definitions**. In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Guarantee, and the following terms shall have the following meanings:

"**Accessions**", "**Account**", "**Chattel Paper**", "**Consumer Goods**", "**Document of Title**", "**Equipment**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**", "**Money**" and "**Proceeds**" shall have the meanings given to them in the PPSA.

"**Agreement**" means this agreement including the schedules and recitals hereto as it or they may be amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Books and Records**" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral and in which the Debtor (or any Person on the Debtor's behalf) at any time has any right, title or interest.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the province referred to in the "Governing Law" section of this Agreement.

"**Collateral**" means all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any schedule to this Agreement or any schedules,

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documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement) and real property (including any real property that may be described in any schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property) of the Debtor (including all such property in which the Debtor now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by the Debtor) and all Proceeds thereof, wherever located.

“Contracts” means all contracts, licences and agreements to which the Debtor is now or in the future a party or pursuant to which the Debtor has acquired or in the future acquires rights and all rights, entitlements, privileges, benefits, powers, licences and advantages of the Debtor thereunder.

“Creditor” has the meaning set out in the recitals hereto, and shall include its successors and assigns.

“Debtor” has the meaning set out in the recitals hereto, and shall include its successors from time to time whether by merger, amalgamation or otherwise.

“Event of Default” means any default in the payment or performance of any of the Liabilities by the Debtor.

“Governmental Authority” means, when used with respect to any Person, any government, parliament, legislature, regulatory authority, agency, tribunal, department, commission, board, instrumentality, court, arbitration board or arbitrator or other law, regulation or rule making entity (including a Minister of the Crown, any central bank, Superintendent of Financial Institutions or other comparable authority or agency) having or purporting to have jurisdiction on behalf of, or pursuant to the laws of, Canada or any country in which such Person is incorporated, continued, amalgamated, merged or otherwise created or established or in which such Person has an undertaking, carries on business or holds property, or any province, territory, state, municipality, district or political subdivision of any such country or of any such province, territory or state of such country.

“Guarantee” has the meaning set out in the recitals hereto.

“Intellectual Property Rights” means all present and future:

- (a) trade secrets and other proprietary information of the Debtor or in which the Debtor has any right, title or interest;
- (b) trademarks, service marks, business names, designs, logos, indicia, and/or other source and/or business identifiers of or used by the Debtor and the goodwill of the business relating thereto together with all registrations or applications for registrations issued throughout the world with respect thereto;

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- (c) copyrights (including copyrights for computer programs) of the Debtor or in which the Debtor has any interest together with all registrations or applications for registrations issued throughout the world with respect thereto and all tangible property embodying such copyrights;
- (d) unpatented inventions (whether or not patentable) of the Debtor or in which the Debtor has any right, title or interest;
- (e) patent applications and patents of the Debtor or in which the Debtor has any right, title or interest;
- (f) designs and industrial designs in which the Debtor has any right, title or interest together with all registrations or applications for registrations issued throughout the world with respect thereto;
- (g) integrated circuit topographies of the Debtor or in which the Debtor has any right, title or interest;
- (h) license agreements related to any of the foregoing and income therefrom;
- (i) any and all books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing; and
- (h) the right to sue for all past, present and future infringements and other misuses of any of the foregoing and all common law and other rights throughout the world in and to all of the foregoing.

“Liabilities” means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured and whether as principal debtor, guarantor, surety or otherwise) of the Debtor to the Creditor wherever and however incurred, and any unpaid balance thereof.

“Lien” means any mortgage, charge, pledge, hypothecation, assignment, deposit arrangement, lien (statutory or otherwise), preference, priority, security interest or other charge or encumbrance of any nature however arising, or any other agreement or arrangement creating in favour of any creditor a right in respect of any particular property that is prior to the right of any other creditor in respect of such property, and includes the right of a lessor under a capitalized lease obligation, the right of a vendor under a conditional sale agreement and any easement, right of way or other encumbrance on real property.

“Permits” means all permits, by-laws, leases, licenses, waivers, exemptions, consents, certificates, authorizations, approvals, rights, agreements, orders, franchises, rights-of-way, easements and entitlements which are required from any Governmental Authority or any other Person (including environmental permits and approvals) in respect of, or which are in any way material to, the ownership, maintenance, operation, use or enjoyment of all or any part of the

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Collateral or the performance, exercise, enjoyment or enforceability of any Contract or any of the rights, entitlements, privileges, benefits, advantages, liabilities or obligations under or with respect to any Contract.

"Permitted Liens" means any Liens in favour of RWK Holdings Inc., Lawrence Technology Venture Fund, The Vengrowth Investment Fund Inc. or Lawrence Enterprise Fund Inc. provided that such Liens are subordinated in favour of the Creditor on terms and conditions satisfactory to the Creditor.

"Person" is to be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government or any other Governmental Authority, and the heirs, executors, administrators or other legal representatives of an individual in such capacity.

"Personal Property" means personal property and includes Accounts, Books and Records, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Contracts, Intellectual Property Rights and Permits), Inventory, Money and Securities.

"PPSA" means the *Personal Property Security Act* of the province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

"Receiver" means a receiver, a manager or a receiver and manager.

"Release Date" means the date on which all the Liabilities have been paid and discharged in full (and the Creditor is satisfied such payment is irrevocable and unconditional) and the Creditor has no further obligations to the Debtor pursuant to which further Liabilities might arise.

"Securities" means the plural of "security", as such term is defined in the PPSA.

"Security Interests" shall mean the Liens created by the Debtor in favour of the Creditor under this Agreement.

2. **Grant of Security Interests.** As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor mortgages, charges and assigns to the Creditor, and grants to the Creditor a security interest in, the Collateral.
3. **Limitations on Grant of Security Interests.** If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in damage to or the termination or breach of such Contract, Intellectual Property Right or Permit, then such Contract, Intellectual Property Right or Permit will not be subject to such Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of the Creditor and, on the exercise by the Creditor of any of its rights or remedies under this Agreement following an Event of Default, be assigned by the Debtor as directed by the Creditor provided that the Security Interests shall attach to such Contract, Intellectual Property Right or Permit (or applicable portion thereof) immediately at such time as the condition causing such damage,

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termination or breach shall be remedied. In addition, the Security Interests do not extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Creditor and, on the exercise by the Creditor of any of its rights or remedies under this Agreement following an Event of Default, will be assigned by the Debtor as directed by the Creditor. For the avoidance of doubt, no Intellectual Property Rights shall be transferred to the Creditor by sole virtue of the grant of the Security Interests contained in Section 2.

4. **Attachment; No Obligation to Advance.** The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral existing at the date of this Agreement and that the Debtor and the Creditor have not agreed to postpone the time for attachment of any of the Security Interests to any of the Collateral. The Security Interests will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditor shall oblige the Creditor to make any financial accommodation or further financial accommodation available to the Debtor or any other Person.

5. **Representations and Warranties.** The Debtor represents and warrants to the Creditor that:

- (a) **Corporate Existence and Authority.** The Debtor has been duly incorporated and organized and is validly existing under the laws of its jurisdiction of incorporation. The Debtor has the necessary power and authority to enter into and perform its obligations under this Agreement, and has taken all necessary corporate or other applicable action to authorize the execution, delivery and performance of this Agreement.
- (b) **Due Execution and Delivery; Enforceability.** This Agreement has been duly executed and delivered by or on behalf of the Debtor and constitutes a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that the equitable remedies (such as specific performance and injunction) are discretionary remedies.
- (c) **No Breach.** None of the execution or the delivery of this Agreement by the Debtor, the consummation of the transactions contemplated in this Agreement, nor compliance by the Debtor with the terms, conditions and provisions of this Agreement (i) conflicts with or will conflict with, or results or will result in, any breach of, or constitutes a default under any of the provisions of, the constating or organizational documents of the Debtor or any agreement or instrument to which the Debtor is a party, or by which the Debtor or any of the Collateral is bound, (ii) results or will result in the creation or imposition of any Lien upon any of the Collateral (other than the Security Interests), or (iii) results or will result in the contravention of any law or rule or regulation to which the Debtor or any of the Collateral is subject.

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- (d) **Title; No Other Liens.** Except for (i) the Security Interests, and (ii) any Permitted Liens, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral, holds a valid leasehold or licensed interest in) the Collateral free and clear of any Liens. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens or in favour of the Creditor.
- (e) **Debtor Information.** All of the information set out in Schedule A is accurate and complete.
- (f) **Consents.** Except for any consent that has been obtained and is in full force and effect, no consent of any party (other than the Debtor) to any Contract, any account debtor in respect of any Account, or any Governmental Authority in respect of any Permit is required, or purports to be required, for the execution, delivery and performance of this Agreement (including the granting of the Security Interests over any such Contract or Account).
- (g) **No Consumer Goods.** The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.
- (h) **Intellectual Property Rights.** All material Intellectual Property Rights in which the Debtor has any right, title or interest (and the nature of such right, title or interest), all rights of the Debtor to the use of any material Intellectual Property Rights, and all registrations and applications for registrations pertaining to any of such rights, are described in Schedule A to this Agreement. Each such Intellectual Property Right is valid, subsisting, unexpired, enforceable, and has not been abandoned. In the case of copyright works, the Debtor has obtained full and irrevocable waivers of all moral rights or similar rights pertaining to such works. Except as set out in Schedule A to this Agreement, none of the Debtor's Intellectual Property Rights have been licensed or franchised by the Debtor to any Person or infringed or otherwise misused by any Person. Except as set out in Schedule A to this Agreement, the exercise by the Debtor (or any licensee or franchisee thereof) of any Intellectual Property Right has not infringed or otherwise misused any intellectual property right of any other Person, and the Debtor has not received and is not aware of any claim of such infringement or other misuse.

6. **Survival of Representations and Warranties.** All representations and warranties made by the Debtor in this Agreement are material, will be considered to have been relied on by the Creditor and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Liabilities until the Release Date.

7. **Covenants.** The Debtor covenants and agrees with the Creditor that:

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- (a) Delivery of Certain Collateral. Promptly upon request from time to time by the Creditor, the Debtor will deliver (or cause to be delivered) to the Creditor, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditor may reasonably request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditor may specify in its request.
- (b) Right of Inspection. The Creditor may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Creditor may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide the Creditor with such clerical and other assistance as may be reasonably requested by the Creditor to exercise any of its rights under this paragraph.
- (c) Limitations on Other Security Interests. The Debtor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Security Interests or Permitted Liens, and the Debtor will defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.
- (d) Limitations on Dispositions of Collateral. The Debtor will not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of, and subject to Section 18, Accounts may be collected, in the ordinary course of the Debtor's business. Following Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Creditor and will be immediately paid to the Creditor.
- (e) Notices. The Debtor will advise the Creditor promptly, in reasonable detail, of (i) any Lien (other than the Security Interests or any Permitted Lien) on, or claim asserted against, any of the Collateral, (ii) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests, (iii) any change in the location of the chief executive office or domicile of the Debtor, (iv) any additional location at which the Debtor carries on business or has tangible Personal Property, (v) any acquisition of any right, title or interest in real property by the Debtor, (vi) any change in the name of the Debtor, (vii) any merger or amalgamation of the Debtor with any other Person, (viii) any additional jurisdiction in which material account debtors of the Debtor are located, and (ix) any material loss of or damage to any of the Collateral. The Debtor agrees not to effect or permit any of the changes referred to in clauses (iii) to (viii) above unless all filings have been

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made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected Security Interest in respect of all of the Collateral.

8. **Rights on Event of Default.** If an Event of Default shall have occurred and be continuing, then and in every such case the Security Interests shall become enforceable and the Creditor, in addition to any rights now or hereafter existing under applicable law may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

- (a) **Rights under PPSA, etc.** Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor by contract, at law or in equity.
- (b) **Demand Possession.** Demand possession of any or all of the Collateral, in which event the Debtor will, at its own expense, immediately cause the Collateral designated by the Creditor to be assembled and made available and/or delivered to the Creditor at any place designated by the Creditor.
- (c) **Take Possession.** Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.
- (d) **Deal with Collateral.** Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.
- (e) **Carry on Business.** Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.
- (f) **Enforce Collateral.** Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditor deems advisable.
- (g) **Dispose of Collateral.** Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, with or without advertising or other formality (except as required by applicable law), on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.
- (h) **Court-Approved Disposition of Collateral.** Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.

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- (i) Purchase by Creditor. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for all or any of the Liabilities then due and payable as a credit against the purchase price.
- (j) Collect Accounts. Notify the account debtors under any Accounts of the assignment of such Accounts to the Creditor and direct such account debtors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Creditor and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Creditor deems appropriate in the circumstances.
- (k) Transfer of Securities. Transfer any Securities forming part of the Collateral into the name of the Creditor or its nominee, with or without disclosing that the Securities are subject to the Security Interests.
- (l) Exercise of Rights. Exercise any and all rights (including voting rights), privileges, entitlements and options pertaining to any Securities forming part of the Collateral as if the Creditor were the absolute owner of such Securities.
- (m) Dealing with Contracts and Permits. Deal with the Contracts and Permits or any one or more of them to the same extent as the Debtor could do, including enforce, realize, sell, assign, transfer, and require continued performance under or otherwise deal with any one or more of them, all on such terms and conditions and at such time or times as may seem advisable to the Creditor.
- (n) Payment of Liabilities. Pay any liability secured by any Lien against any Collateral. The Debtor will immediately on demand reimburse the Creditor for all such payments and, until paid, any such reimbursement obligation will form part of the Liabilities and will be secured by the Security Interests.
- (o) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditor.

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- (p) **Court-Appointed Receiver.** Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Debtor acknowledges and agrees that any action taken by the Creditor hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

9. **Realization Standards.** To the extent that applicable law imposes duties on the Creditor to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditor to dispose of the Collateral in any such manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Creditor (i) to fail to incur expenses reasonably deemed significant by the Creditor to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to the Collateral to be disposed of, (iii) to fail to exercise collection remedies against account debtors or other Persons obligated on the Collateral or to remove Liens against the Collateral, (iv) to exercise collection remedies against account debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of the Collateral through publications of media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business of the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature or an upset or reserve bid or price is established, (viii) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Creditor against risks of loss, collection or disposition of the Collateral or to provide to the Creditor a guaranteed return from the collection or disposition of the Collateral, (xii) to the extent deemed appropriate by the Creditor, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditor in the collection or disposition of any of the Collateral, and (xiii) dispose of Collateral in whole or in part.

10. **Grant of Licence.** For the purpose of enabling the Creditor to exercise its rights and remedies under Section 8 when the Creditor is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditor an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or

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sublicence any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same. For any trademarks, service marks and other business indicia, such licence includes an obligation on the part of the Creditor to maintain the standards of quality maintained by the Debtor or, in the case of trademarks, service marks or other business indicia licenced to the Debtor, the standards of quality imposed upon the Debtor by the relevant licence. For copyright works such licence shall include the benefit of any waivers of moral rights and similar right.

11. **Sale of Securities.** The Creditor is authorized, in connection with any offer or sale of any Securities forming part of the Collateral, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.

12. **Application of Proceeds.** All Proceeds of Collateral received by the Creditor or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditor's rights under this Agreement), Liens on the Collateral in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by law.

13. **Continuing Liability of Debtor.** The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

14. **Creditor's Appointment as Attorney-in-Fact** The Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditor's discretion after an Event of Default, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Creditor as

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secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate. The Debtor ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditor or any of the Creditor's sub-agents, nominees or attorneys shall do or purport to do in exercise of the power of attorney granted to the Creditor pursuant to this Section.

15. **Performance by Creditor of Debtor's Obligations.** If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests.

16. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17. **Rights of Creditor; Limitations on Creditor's Obligations.**

- (a) **Limitations on Creditor's Liability.** The Creditor will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor, a Receiver nor any agent of the Creditor (including in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any Receiver will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any Receiver) caused for any reason other than the gross negligence or wilful misconduct of the Creditor or such Receiver.
- (b) **Debtor Remains Liable under Accounts and Contracts.** Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts of the Debtor and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditor will have no obligation or liability under any Account of the Debtor (or any document giving rise thereto) or under any Contract by reason of or arising out of this Agreement or the receipt by the

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Creditor of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditor will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account of the Debtor (or any document giving rise thereto) or under or pursuant to any Contract to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any such Account (or any document giving rise to any such Account) or under any such Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

- (c) Collections on Accounts and Contracts. The Creditor hereby authorizes the Debtor to collect its Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditor at any time following an Event of Default, any payments of Accounts of the Debtor or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditor if required, in a special collateral account maintained by the Creditor, and until so deposited, will be held by the Debtor in trust for the Creditor, segregated from the other funds of the Debtor. All such amounts while held by the Creditor (or by the Debtor in trust for the Creditor) and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. The Creditor may apply all or any part of the amounts on deposit in such special collateral account on account of the Liabilities in such order as the Creditor may elect.
- (d) Use of Agents. The Creditor may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

18. Dealings by Creditor. The Creditor will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and will not impose any duty upon the Creditor to exercise any such powers.

19. Communication. Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other

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similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

20. **Release of Information.** The Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor by any Persons entitled thereto pursuant to any applicable law or court order, or to the extent necessary to enforce the Creditor's rights, remedies and entitlements under this Agreement or with respect to the Collateral.

21. **Waivers and Indemnity.**

- (a) To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives
 - (i) all claims, damages and demands it may acquire against the Creditor arising out of the lawful exercise by the Creditor or any Receiver of any rights or remedies under this Agreement or at law, and
 - (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.
- (b) The Debtor agrees to indemnify the Creditor from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (except by reason of the gross negligence or willful misconduct of the Creditor or any of its agents or employees) which may be imposed on, incurred by, or asserted against the Creditor and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by the Debtor.
- (c) The Debtor agrees to indemnify the Creditor from and against any and all liabilities, costs and expenses (including legal fees and expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any Governmental Authority with respect to any such liabilities, costs and expenses) (i) incurred by the Creditor in the preparation, registration,

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administration or enforcement of this Agreement, (ii) with respect to, or resulting from, any failure or delay by the Debtor in performing or observing any of its obligations under this Agreement, or (iii) incurred by the Creditor in performing or observing any of the other covenants of the Debtor under this Agreement.

- (d) The indemnifications set out in this Section 21 will survive the Release Date and the release or extinguishment of the Security Interests.

22. **Release of Debtor.** Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation.

23. **Additional Security.** This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Debtor to the Creditor, all of which other security shall remain in full force and effect.

24. **Alteration or Waiver.** No provision of this Agreement may be changed, discharged, waived or terminated except with the written consent of the Debtor and the written consent of the Creditor. The Creditor will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion.

25. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

26. **Interpretation.** Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Creditor or is to be acceptable to the Creditor, such consent, approval or determination of acceptability will be in the sole discretion of the Creditor. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word

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"including" or "includes" means including or includes "without limitation". Any reference in this Agreement to a "Section" means the relevant Section of this Agreement.

27. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement.

28. **Acknowledgment of Receipt/Waiver.** The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued in respect of any such financing statement or financing change statement.

29. **Electronic Signature.** Delivery of an executed signature page to this Agreement by the Debtor by facsimile or other electronic form of transmission shall be as effective as delivery of a manually executed copy of this Agreement by the Debtor.

IN WITNESS OF WHICH the Debtor has executed this Agreement as of the date shown on the first page of this Agreement.

DREAMCATCHER INTERACTIVE INC.

By 

Name: RICHARD WANKAM

Title: PRESIDENT & CEO

Address: 5000 Dufferin Street

Building R

Toronto, Ontario

M3H 5T5

Schedule A

DEBTOR INFORMATION

Full legal name: Dreamcatcher Interactive Inc.

Trade or business names: Nil

Jurisdiction of incorporation: Ontario

Address of registered head office: 5000 Dufferin Street, Building R
Toronto, Ontario
M3H 5T5

Address of chief executive office:

Addresses of all places where business is carried on or tangible Personal Property is kept:

Ontario

Jurisdictions in which all material account debtors are located:

Ontario

Addresses of all owned real property: Nil

Address of all leased real property: Nil

Description of all "serial number" goods (ie. motor vehicles, trailers, aircraft, boats and outboard motors for boats):

Nil

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DreamCatcher Interactive Inc.

Registered trademarks and applications for trademark registrations:

Country	Trade-mark	Application No.	Application Date	Registration No.	Registration Date	Expiry Date
Canada	RE:ACTION ENTERTAINMENT			TMA573087	January 7, 2003	January 6, 2018
Canada	THE ADVENTURE COMPANY			TMA602947	Feb. 23, 2004	February 22, 2019
USA	THE ADVENTURE COMPANY			2689314	Feb. 18, 2003	February 17, 2013
Canada	CHAMELEON	1176374	April 30, 2003 (Abandoned)			N/A
Canada	CRYSTAL KEY	1163098	Dec. 20, 2002	3		N/A
USA	CRYSTAL KEY			293591	March 22, 2005	March 21, 2015
European Community	DREAMCATCHER	002912244	Nov. 29, 2002			N/A
Canada	DREAMCATCHER INTERACTIVE INC.			TMA504553	Nov. 24, 1998	Nov. 23, 2013
USA	DREAMCATCHER INTERACTIVE INC.			2269434	Aug. 10, 1999	Aug. 9, 2009
Canada	PAINKILLER	1196921	Nov. 17, 2003			N/A
USA	PAINKILLER	76579083	Nov. 17, 2003, (as the application is filed as of the Priority Date)			N/A
Canada	SUPERPOWER	1175026	April 16, 2003			N/A
USA	SUPERPOWER			2873788	Aug. 17, 2004	August 16, 2014
USA	TIMESCAPE			2580038	June 11, 2002	June 10, 2012